

UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Loveland Area Projects

**LONG-TERM FIRM AND SHORT-TERM FIRM POINT-TO-POINT
TRANSMISSION SERVICE**

Applicable

The Transmission Customer shall compensate the Rocky Mountain Region (RMR) each month for Reserved Capacity under the applicable Firm Point-to-Point Transmission Service Agreement and rates outlined below. The formula rates used to calculate the charges for service under this schedule were issued and may be modified under applicable Federal laws, regulations, and policies.

RMR may modify the charges for Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Firm Point-to-Point Transmission Service will be listed in a revision to this rate schedule and made part of the applicable service agreement. RMR shall charge the Transmission Customer under the rate then in effect.

Discounts

Three principal requirements apply to discounts for transmission service as follows: 1) any offer of a discount made by RMR must be announced to all eligible customers solely by posting on the Open Access Same-Time Information System (OASIS); 2) any customer-initiated requests for discounts, including requests for use by one's wholesale merchant or an affiliate's use, must occur solely by posting on the

**Rate Schedule L-FPT1
SCHEDULE 7 to Tariff
October 1, 2006**

OASIS; and 3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, RMR must offer the same discounted transmission service rate for the same time period to all eligible customers on all unconstrained transmission paths that go to the same point(s) of delivery on the transmission system.

Unauthorized Use of Transmission

If a Transmission Customer (including the transmission provider for third-party sales) engages in unauthorized use of RMR managed transmission systems, the Transmission Customer shall be charged 150 percent of the demand charge for the type of service at issue (reserved); e.g., hourly, daily, weekly, or monthly, with a maximum demand charge set at monthly.

Unauthorized use is defined as unscheduled or untagged use of the transmission system and any affiliated ancillary service exceeding reserved capacity at any point of delivery or receipt. Unauthorized use may also include a Transmission Customer's failure to curtail transmission when requested.

Effective

The first day of the first full billing period beginning on or after March 1, 2004, through February 28, 2009.

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Formula Rate

$$\begin{array}{rcl} \text{Firm} & & \text{Annual Transmission Revenue Requirement} \\ \text{Point-to-Point} & = & \text{-----} \\ \text{Transmission Rate} & & \text{LAP Transmission System Total Load} \end{array}$$

If a Transmission Customer requires use of sub-transmission facilities, a specific facility use charge will be assessed in addition to this formula rate.

Rate

The rate to be in effect October 1, 2006, through September 30, 2007, is:

Maximum of:

Yearly:	\$32.98/kW of reserved capacity per year
Monthly:	\$ 2.75/kW of reserved capacity per month
Weekly:	\$ 0.63/kW of reserved capacity per week
Daily:	\$ 0.09/kW of reserved capacity per day

This rate is based on the above formula and FY 2005 financial and load data.